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MTR CORPORATION LIMITED
香港鐵路有限公司

(the "Company")
(Incorporated in Hong Kong with limited liability)
(Stock Code: 66)

INSIDE INFORMATION
EXECUTION OF NOL (PART 2) PROJECT AGREEMENT FOR NORTHERN LINK

On 10 November 2026, the Company entered into the project agreement with the Secretary for Transport and Logistics for and on behalf of the Government for the financing, design, construction and completion of the NOL (Part 2) Project, and the pre-operation, operation and maintenance of the Northern Link as a whole. Further details are set out below.

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Investors should exercise caution in their dealings in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

Reference is made to the Company's announcement dated 8 July 2025 in relation to the execution of the NOL (Part 1) Project Agreement (the "**Part 1 Announcement**").

Further to the Part 1 Announcement, the railway scheme of the Hong Kong section of the NOL Spur Line was gazetted under the Railways Ordinance in June 2026 and, in September 2026, the Secretary for Transport and Logistics authorised the railway scheme of the Hong Kong section of the NOL Spur Line.

As mentioned in the Part 1 Announcement, the Company and the Government recognise the benefits of implementing the NOL Main Line and the NOL Spur Line as one project, while noting that the NOL Main Line was further advanced than the NOL Spur Line in terms of planning and design and, accordingly, work on the NOL Main Line began in 2025, with the intent of enabling the commissioning of the NOL as a whole by not later than 2034 (as detailed below). Therefore, the Company and the Government agreed a "two-part" approach. The first

part (Part 1) covered the design and construction of part of the NOL Main Line, as well as the detailed planning and design of the NOL Spur Line. Under the NOL (Part 2) Project Agreement, the second part (Part 2) will cover the construction of the remaining portion of the NOL Main Line and the NOL Spur Line and the pre-operation, operation and maintenance of both lines as an integrated railway.

The Northern Link as a whole is targeted to be in operation by the end of 2034.

THE NOL (PART 2) PROJECT AGREEMENT

As mentioned in the Part 1 Announcement, it was intended that the Company and the Government would, in due course, enter into discussions on a Further Agreement to enable the Northern Link as a whole to be delivered and commissioned by no later than 2034.

Accordingly, on 10 November 2026, the Company and the Secretary for Transport and Logistics for and on behalf of the Government entered into the project agreement for the financing, design, construction and completion of the NOL (Part 2) Project, and the pre-operation, operation and maintenance of the Northern Link as a whole (the "**NOL (Part 2) Project Agreement**"), which constitutes the Further Agreement between the Company and the Government.

The NOL (Part 2) Project Agreement contains the following principal terms:

Parties

(1) the Company; and

(2) the Secretary for Transport and Logistics for and on behalf of the Government.

The Company's principal obligations

The Company shall carry out, or procure the carrying out of, the NOL (Part 2) Works and the RRIW (Part 2) (being the reprovisioning, remedial and improvement works as further detailed in the definition of RRIW (Part 2)) and shall bring into operation, operate and maintain the Northern Link as a whole. The design, construction, supervision and quality control, testing, completion, pre-operation, commissioning, operation and maintenance of the NOL Works and the RRIW shall be in a manner which reflects the Company's responsibilities and duties under the MTR Ordinance and the NOL (Part 2) Project Agreement and in accordance with all applicable laws and regulations.

In fulfilment of its obligations under the NOL (Part 2) Project Agreement, the Company shall comply with and satisfy all relevant statutory or other legal requirements applicable to the NOL (Part 2) Project.

The Company shall carry out the NOL (Part 2) Project with the skill and care reasonably to be expected of a professional and competent railway project delivery entity and operator which is engaged in the delivery of new railway lines of the type and scope of the NOL (Part 2) Project.

The Company shall pay for the full amount of the NOL (Part 2) Project Cost including land acquisition costs arising from the implementation of the NOL (Part 2) Project as agreed in the NOL (Part 2) Project Agreement.

The Company shall use its reasonable endeavours to complete the NOL (Part 2) Project so as to enable Commercial Operation to commence no later than the Scheduled Operating Date.

In the event that the Commercial Operation of the Northern Link commences on a date which is beyond the Scheduled Operating Date, the Company shall set aside certain amounts from the revenue generated from the Mass Transit Railway for funding network improvements in the Mass Transit Railway.

The equivalent arrangements in the NOL (Part 1) Project Agreement for the funding of network improvements have been superseded by the mechanism in the NOL (Part 2) Project Agreement and, accordingly, cease to apply.

The Company shall, at its own cost, carry out the measures specified in the environmental impact assessment and relevant environmental permits issued or to be issued by the Government and/or the Ecology and Environmental Bureau of Shenzhen Municipality.

The Company shall be subject to monitoring and control arrangements to be performed by the Government to oversee the delivery of the NOL (Part 2) Project in accordance with the terms of the NOL (Part 2) Project Agreement.

In relation to the Company's delivery of the NOL (Part 2) Project, being a large-scale project, pursuant to its principal obligations described above, the Company plans to adopt a range of strategies, processes, and innovations so that the NOL (Part 2) Project can be delivered on time and within budget. These strategies, processes and innovations include line-wide coordination of the Northern Link project, centralised project logistics, design and construction optimisation, adoption where appropriate of the Hong Kong Railway Standards introduced in February 2026, system-wide contracting, holistic procurement covering the whole Northern Link project and an integrated approach to railway systems.

Financing of the NOL (Part 2) Project Cost

The Company expects to incur the NOL (Part 2) Project Cost over a period of around 10 years and, over the next three years, expects to incur capital expenditure on the NOL (Part 2) Project of around approximately HK$1.1 billion in 2027, HK$2.9 billion in 2028 and HK$5.9 billion in 2029.

The Company acknowledges the overall scale of the total amount of the NOL (Part 2) Project Cost, not least in combination with the other investment and growth plans already underway, and has analysed its financeability together with suitable external advisers. On the basis of the Company's significant current cash resources, its proven access to a highly diversified range of capital markets, and that the expenditure is expected to be incurred over a ten-year period, it is considered that this expenditure can be accommodated within the Company's funding plans. The Company will continue to pay close attention to monitoring the financing requirements and their impact.

Investors are reminded of the Company's role in operating critical infrastructure of Hong Kong, and that NOL, and other projects being constructed by the Company, are essential to the future development of Hong Kong, are fully aligned with Government policy, and are expected to deliver significant long-term socio-economic benefits to Hong Kong. Investors are also reminded of the Government's strong support for the Company in its expansion of the transport infrastructure in Hong Kong and its fundamental and key interest in the overall performance and financial health of the Company.

The Government's principal obligations

The Government shall, amongst other things:

(i) use reasonable endeavours to provide the Company with any information or assistance of a non-financial nature reasonably required by the Company to meet its obligations under the NOL (Part 2) Project Agreement;

(ii) use reasonable endeavours to make land available to (and, where applicable, assist the Company in liaising with the SZMPG with the aim of making land available to) the Company for the construction of the NOL (Part 2) Project and the subsequent operation and maintenance of the Northern Link by the Company;

(iii) grant to the Company a running line lease and private treaty grant(s) in respect of such portions of the NOL Main Line and NOL Spur Line within the boundary of Hong Kong which are required for the purposes of the operation and maintenance of the NOL Main Line and the NOL Spur Line;

(iv) permit the Company to sublet or part with possession of, or carry out trades or activities, at the NOL Main Line and NOL Spur Line within the boundary of Hong Kong; and

(v) permit the Company to undertake commercial and residential property development at the NOL (Part 2) Proposed Development Sites for the purpose of bridging the funding gap of the NOL (Part 2) Project, as described in more detail below.

Mutual obligations

Each of the Government and the Company shall use reasonable endeavours to co-operate with the other in relation to the preparation of any submission or other document to various authorities.

The Government and the Company shall take forward collaborative work initiatives, including developing a charter for fostering a shared vision of the NOL (Part 2) Project and adopting collaborative working behaviours.

Shenzhen Section

As the NOL Spur Line is a cross-boundary railway line, part of the NOL Spur Line will be located within Shenzhen, beyond the boundary of Hong Kong ("**Shenzhen Section**"). The Government and the SZMPG are expected to enter into a government-to-government agreement in relation to the Shenzhen Section and the Company will enter into agreements with the SZMPG to allow the Company to (i) carry out the NOL (Part 2) Works and RRIW (Part 2) within Shenzhen; and (ii) operate and maintain the Shenzhen Section.

The Company has entered into the NOL (Part 2) Project Agreement based on its understanding of the proposed arrangements for the Shenzhen Section. The Company understands that the Government will continue to facilitate the negotiation and finalisation of the relevant agreements and provide its support to the Company in its discussions with the SZMPG.

NOL (Part 2) Project in the context of the Company's rail-plus-property model

Background

As disclosed in the Merger Circular, in the Operating Agreement, subject to the MTR Ordinance, it has been acknowledged that, when undertaking new projects and/or operating new railways, the Company will require an appropriate commercial rate of return.

In the Operating Agreement, the Government acknowledges that property development has been, and is expected to continue to be, important for the commercial viability of new projects as well as for operational and technical reasons. The Operating Agreement also provides that, for any new project to be implemented by the Company, the Government and the Company will agree the detailed terms relating to what property development rights (if any) should be provided to the Company.

As explained in the Merger Circular, property development is a significant part of the Company's business, providing an important source of income that has supported the cost of construction of railway projects as well as contributing to future rail patronage from the immediate catchment areas created by such property developments.

The Company's practice in property development has been to arrange for various third-party developers to carry out the actual development works according to the Company's tender documents. Typically, the developers are responsible for development costs (including all or part of the Government land premium, construction and enabling work costs, marketing and sales expenses, professional fees, finance charges and other expenses) and have to bear development risks. The Company derives benefit from the property developments through the sharing of profits with developers in agreed proportions from the sale or lease of the properties after deducting the development costs and/or through lump sum payments from the developers.

NOL (Part 2) Proposed Development Sites

The NOL (Part 2) Proposed Development Sites are approximately 46 hectares in aggregate for the eight specific sites (with certain sites being developed in portions) for which the proposed uses are residential, commercial and railway facilities.

The NOL (Part 2) Proposed Development Sites have been identified and the Company shall be permitted to undertake property development thereat to contribute to the financial return of the NOL (Part 2) Project so that the Company can achieve an appropriate commercial rate of return on the NOL (Part 2) Project.

Subject to: (a) the approval of the Chief Executive in Council and, where applicable, the Town Planning Board; and (b) the successful resumption by the Government of all NOL (Part 2) Proposed Development Sites which do not belong to the Government pursuant to the Lands Resumption Ordinance (Chapter 124 of the Laws of Hong Kong), the Company shall be permitted to undertake commercial and residential property development at the NOL (Part 2) Proposed Development Sites. Subject as aforesaid, such development rights to be undertaken by the Company shall be granted by one or more private treaties, subject to conditions, including:

(i) that the development shall be discussed between the parties and shall be in such form as may be prescribed by the Government and, where appropriate, the Town Planning Board;

(ii) the Company shall pay land premium to the Government to be assessed as described below; and

(iii) any other terms and conditions as the Government may impose.

Land Premium Arrangements for the NOL (Part 1) Proposed Development Sites and NOL (Part 2) Proposed Development Sites

Pursuant to the current Operating Agreement, for property development rights in relation to a new project to be undertaken by the Company, the Government agrees that, for so long as its current land policy is maintained, land premium payable by the Company for such new project will be assessed on a "full market value" basis taking full account of the presence of the railway, subject to an amount being deducted either: (i) as deductible costs in order to arrive at the land premium; or (ii) after the assessment of the aforesaid land premium has been completed in order to arrive at the amount actually payable by the Company, having regard to the acknowledgements in the Operating Agreement that the Company will require an appropriate commercial rate of return when undertaking new projects and/or operating new railways, unless both parties agree to adopt another method to arrive at the land premium payable by the Company.

Consistent with the methodology referred to in (ii) of the paragraph immediately above, the total amount of land premium payable by the Company in respect of the entire NOL (Part 2) Proposed Development Sites shall be assessed by the Government as the full market value of the sites (taking into account the presence of the railway) less the Reduction Amount. The NOL (Part 2) Proposed Development Sites will be developed on a site-by-site basis (or in portions) and the land premium assessment for each site (or each portion of a site) will be carried out, at the time of the relevant tender, with a specified tranche of the Reduction Amount being deducted.

In recognition of the substantial scale and extensive timeframe of the Northern Link project, the NOL (Part 2) Project Agreement contains a number of provisions designed to maximise the Company's ability to utilise the Reduction Amount (NOL). If, following the land premium assessment for any of the NOL (Part 1) Proposed Development Sites or NOL (Part 2) Proposed Development Sites and after deduction of the applicable tranche of the Reduction Amount (NOL), land premium remains payable to the Government, the Company may elect to defer payment of all or part of such land premium, together with interest on the deferred amount calculated in accordance with terms agreed between the Company and the Government, to subsequent NOL (Part 1) Proposed Development Sites or NOL (Part 2) Proposed Development Sites. If any deferred land premium remains outstanding following the land premium assessment for the last site amongst the NOL (Part 1) Proposed Development Sites and NOL (Part 2) Proposed Development Sites, the Company will pay such outstanding amount, together with the applicable interest, to the Government.

The amount of financial contribution from the development of the NOL (Part 2) Proposed Development Sites and the Company's ability to utilise the Reduction Amount (NOL) in full will depend on a number of factors including: (1) the condition of the property market in the future; (2) the future cost of such property developments, including Government land premium, construction costs, marketing and sales expenses, finance charges and other expenses; and (3) the actual gross floor area of the relevant developments. There is no guarantee as to the amount of financial contribution from such property developments, nor that any such contributions, will result in the Company achieving a commercial rate of return on the NOL (Part 2) Project.

REASONS FOR, AND BENEFITS OF, THE NOL (PART 2) PROJECT AGREEMENT

Consistent with, and to further develop, its principal business activities (as described below), the Company has entered into the NOL (Part 2) Project Agreement, which forms the second part of the "two-part" approach for implementing the NOL Main Line and the NOL Spur Line (as described above). As the public transport backbone of the Northern Metropolis, the Northern Link project as a whole is a key project for the Company and the entry into the NOL (Part 2) Project Agreement will enable the Company to implement the NOL Main Line and NOL Spur Line as the transport infrastructure driving the development of the Northern Metropolis and to preserve the rail-plus-property model, on the basis described above, by

carrying out property development in order to be able to achieve an appropriate commercial rate of return on the NOL (Part 2) Project.

Government has stated that the Northern Link project is a strategically important transport infrastructure project which will drive the development of the Northern Metropolis and facilitate Hong Kong's better integration into national development, aligning with the National 15th Five-Year Plan Outline that calls for accelerating the development of the Northern Metropolis and promoting the coordinated development of rail transport and has been identified as a top priority of Hong Kong's First Five-Year Plan published by the Government. As the public transport backbone of the Northern Metropolis, the NOL will not only enhance cross-boundary passenger capacity through a seamless connection to the new Huanggang Port, but also unlock land development potential, promote technological and industrial innovation and expedite housing supply. In addition, the NOL will connect the East Rail Line and Tuen Ma Line (both of which are operated by the Company) forming a railway loop linking the New Territories and the Kowloon urban area and substantially enhancing the connectivity, resilience and operational flexibility of the railway network.

In considering the NOL (Part 2) Project Agreement, the Company has applied its internal governance and review processes and has obtained advice from a financial adviser (Rothschild & Co Hong Kong Limited), which concluded that the NOL (Part 2) Project is in the ordinary and usual course of business of the Company and that the NOL (Part 2) Project Agreement is (i) on normal commercial terms; and (ii) fair and reasonable and in the interests of the Company and its shareholders (including its independent shareholders) as a whole.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Group is principally engaged in the following core businesses: railway design, construction, operation, maintenance and investment in Hong Kong, the Chinese Mainland and a number of overseas cities; project management in relation to railway and property development businesses in Hong Kong and the Chinese Mainland; station commercial business (including leasing of station retail space, leasing of advertising space inside trains and stations, and enabling of telecommunication services on the railway system) in Hong Kong and the Chinese Mainland; property business including property development and investment, management and leasing management of investment properties (including shopping malls and offices) in Hong Kong and Chinese Mainland; investment in Octopus Holdings Limited; provision of railway management, engineering and technology training; and investment in relevant new technologies.

GENERAL

Investors should exercise caution in their dealings in the securities of the Company. The price of the Company's shares may be subject to fluctuations.

The members of the Board who were appointed by the Government pursuant to section 8 of the MTR Ordinance or who hold a position in the Government were not present at the meeting of the Board at which the NOL (Part 2) Project Agreement was discussed and did not take part in the discussions of the Board when the NOL (Part 2) Project Agreement was approved.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"**Board**"	means the board of directors of the Company;
"**Commercial Operation**"	means the operation of railway services on the Northern Link on a revenue earning basis by providing scheduled transport to the public;
"**Director**"	means a member of the Board;
"**Further Agreement**"	has the meaning ascribed to it in the Part 1 Announcement;
"**Government**"	means the Government of Hong Kong;
"**Group**"	means the Company and its subsidiaries;
"**HK$**"	means Hong Kong Dollars, the lawful currency of Hong Kong;
"**Hong Kong**"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"**Listing Rules**"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"**Merger Circular**"	means the circular issued by the Company dated 3 September 2007;
"**MTR Ordinance**"	means the Mass Transit Railway Ordinance (Chapter 556 of the Laws of Hong Kong);
"**NOL**" or "**Northern Link**"	means (i) the NOL Main Line and (ii) the NOL Spur Line;
"**NOL Main Line**"	means the railway line between Kam Sheung Road and Kwu Tung, with (i) two terminal railway stations at Kam Sheung Road and Kwu Tung, (ii) three intermediate railway stations at San Tin, Ngau Tam Mei and Au Tau, and (iii) Ngau Tam Mei Depot;
"**NOL (Part 2) Cost**"	means all amounts payable for the NOL (Part 2) Works;
"**NOL (Part 1) Proposed Development Sites**"	has the meaning ascribed to it in the Part 1 Announcement;
"**NOL (Part 2) Proposed Development Sites**"	means collectively the land at specific locations agreed between the Company and the Government under the NOL (Part 2) Project Agreement (including Kwu Tung North, Ngau Tam Mei, San Tin and Au Tau);
"**NOL (Part 2) Project**"	means the NOL (Part 2) Works and the RRIW (Part 2);

"**NOL (Part 1) Project Agreement**"	has the meaning ascribed to it in the Part 1 Announcement;
"**NOL (Part 2) Project Agreement**"	has the meaning ascribed to it in the section of this announcement headed "THE NOL (PART 2) PROJECT AGREEMENT";
"**NOL (Part 1) Project Cost**"	has the meaning ascribed to it in the Part 1 Announcement;
"**NOL (Part 2) Project Cost**"	means the aggregate of (1) NOL (Part 2) Cost; and (2) RRIW (Part 2) Cost, which together with the NOL (Part 1) Project Cost, is estimated to be, in aggregate, around HK$90 billion (July 2025 prices);
"**NOL (Part 1) Works**"	has the meaning ascribed to it in the Part 1 Announcement;
"**NOL (Part 2) Works**"	means all works described as such under the NOL (Part 2) Project Agreement that are necessary for the construction of the second part of the Northern Link;
"**NOL Spur Line**"	means the cross-boundary railway line between San Tin Station in Hong Kong and Huanggang Port Station in Shenzhen (including the Huanggang Port Station), with two intermediate stations at Chau Tau and the Loop in Hong Kong;
"**NOL Works**"	means the NOL (Part 1) Works and the NOL (Part 2) Works;
"**Operating Agreement**"	means the operating agreement dated 9 August 2007 made between the then Secretary for Transport and Housing (the office of which is now replaced by the Secretary for Transport and Logistics) for and on behalf of the Government and the Company, as contemplated in Section 4(2) of the MTR Ordinance and as amended from time to time;
"**Part 1 Announcement**"	has the meaning ascribed to it in the section of this announcement headed "BACKGROUND";
"**Railways Ordinance**"	means the Railways Ordinance (Chapter 519 of the Laws of Hong Kong);
"**Reduction Amount**"	means a total fixed amount of HK$86.43 billion, which is divided into specific tranches, for each of the NOL (Part 2) Proposed Development Sites;
"Reduction Amount (NOL)"	means the Reduction Amount and the Reduction Amount (Part 1);
"**Reduction Amount (Part 1)**"	has the meaning ascribed to "Reduction Amount" in the Part 1 Announcement;
"**RRIW**"	means the RRIW (Part 1) and RRIW (Part 2);

"**RRIW (Part 1)**"	has the meaning ascribed to the term "RRIW" in the Part 1 Announcement;
"**RRIW (Part 2)**"	means all works which are described as such under the NOL (Part 2) Project Agreement which include the reprovisioning, remedial and improvement works that constitute the replacement, modification or improvement of existing privately owned facilities (if any) or facilities owned by the Government or public bodies necessary for and/or required as a consequence of the construction of the NOL (Part 2) Works. Following completion of the RRIW (Part 2), they shall be handed over to, owned, managed, maintained and controlled by such private owner (if any), the Government or public bodies;
"**RRIW (Part 2) Cost**"	means all amounts payable for the RRIW (Part 2);
"**Scheduled Operating Date**"	means the date on which Commercial Operation of the Northern Link is scheduled to commence, which shall be no later than 31 December 2034; and
"**SZMPG**"	means the Shenzhen Municipal People's Government of the People's Republic of China, including its authorised departments and nominees.

By Order of the Board
Gillian Elizabeth Meller
Company Secretary

Hong Kong, 10 November 2026

As at the date of this announcement:

Members of the Board: Dr Jacob Kam Chak-pui (*Chairman*)**, Jeny Yeung Mei-chun (*Chief Executive Officer*), Andrew Clifford Winawer Brandler*, Dr Bunny Chan Chung-bun*, Cheng Yan-kee*, Mary Huen Wai-yi*, Hui Siu-wai*, Ayesha Macpherson Lau*, Professor Sunny Lee Wai-kwong*, Jimmy Ng Wing-ka*, Susanna Shen Shuk-ching*, Sandy Wong Hang-yee*, Adrian Wong Koon-man*, Professor Anna Wong Wai-kwan*, Michael Wong Yick-kam*, Christopher Hui Ching-yu (Secretary for Financial Services and the Treasury)**, Secretary for Transport and Logistics (Mable Chan)**, Permanent Secretary for Development (Works) (Ricky Lau Chun-kit)** and Commissioner for Transport (Winnie Tse Wing-yee)**

Members of the Executive Directorate: Jeny Yeung Mei-chun, David Tang Chi-fai, Margaret Cheng Wai-ching, Linda Choy Siu-min, Carl Michael Devlin, Michael George Fitzgerald, Wilson Kwong Wing-tsuen, Gillian Elizabeth Meller and Sammy Wong Kwan-wai

* *independent non-executive Director*
** *non-executive Director*

This announcement is made in English and Chinese. In case of any inconsistency, the English version shall prevail.